

# Memorandum

To  
Gary Flood

MasterCard  
International



From  
Joan Bogin

Date  
May 7, 1996

Subject  
Purchase Protection Advertising/POV

Copies to

I think you'll agree that more analysis went into evaluating Purchase Protection than any previous product benefit. We have explored both the barriers and opportunities of advertising this program, and our collective thoughts are detailed below.

We recognize the importance of supporting any efforts to gain mail share. If advertising our Purchase Protection feature will help, we should do it. In considering the strongest possible advertising strategy, we believe the simpler the proposition, the better. In fact, the language that Nancy Hemenway provided could result in the most powerful communication:

"Unlike most Visa cards, Gold MasterCard will give you full 90-day protection."

We firmly believe that, from a communications perspective, naming Visa in the advertising is critical in order to avoid consumer confusion. If we revise the claim to "most other gold cards," we run the risk of being challenged by other issuers who still offer the feature. We also believe that it is critical to communicate some "new news." A simple purchase protection message, without a competitive claim of some sort, will likely have little impact with consumers, since they probably think they've still got this service on their Visa cards. In essence, we must communicate the news that MasterCard offers something that Visa doesn't. If senior management supports this strategy, we can begin creative development.

We explored the possibility of bundling this feature with others to support a Gold card superiority claim, i.e.:

- the first gold bankcard in the business is still the best
- the best gold bankcard security package in the business

However, we have two concerns with these approaches:

- 1) "Bankcard" is not a consumer term, so we would have to explain what we mean in order to avoid confusion. Ultimately, this would detract from the clarity our overall communication.
- 2) We known from experience that highlighting additional features will complicate the message, thereby reducing the power and impact of the news.

P-0402

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In considering the pros and cons of various advertising media, we believe that this effort is best executed in newspaper and radio. Both print and radio offer the opportunity to adequately explain the details of this feature, and they are very cost-effective, allowing us to leverage Member efforts at high reach and frequency levels. Additionally, both media are effective in reaching gold cardholders, who tend to be light television viewers.

Per your request, we evaluated the possibility of a TV execution for this effort and do not recommend it for the following reasons:

While the situation does fit many of the criteria which could lead to powerful advertising:

- news
- delivers a dimension of security

We have the following concerns:

- we question whether this makes a powerful enough brand statement in light of the fact that the real news is that a competitor has dropped purchase protection; the service itself is not news to the consumer.
- additionally, the complicated nature of the story reduces the chances of the consumer coming away with a story about MasterCard.

Regarding a print/radio effort, the only available funding is an opportunistic remainder of the \$20MM incremental advertising effort, which is about \$1.5MM. As Alan is the one who requested I create this fund, I would need to gain his agreement to use it.

Therefore, if you agree with this recommendation, the two outstanding issues are management approval to use the "Visa" word in our advertising and the funding for the print/radio.